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Eighth report of the Secretary-General pursuant to paragraph 6 of resolution 1956 (2010)

I. Introduction

1. The present report is submitted pursuant to paragraph 6 of Security Council resolution 1956 (2010), in which the Council requested me to provide written reports on an ongoing basis to the Council every six months about the United Nations Compensation Fund, with effect from 1 January 2012, evaluating the continued compliance with the provisions of paragraph 21 of resolution 1483 (2003), which requires Iraq to deposit 5 per cent of the proceeds from export sales of petroleum, petroleum products and natural gas into the Fund. The present eighth report covers the developments since the issuance of my seventh report (S/2014/940) on 23 December 2014.

II. Developments

2. The overall amount of compensation paid to date by the United Nations Compensation Commission is $47.8 billion, leaving approximately $4.6 billion outstanding to be paid to Kuwait to settle the last remaining claim.

3. As indicated in my previous report, in response to a request from the Government of Iraq to defer the payment of the remaining $4.6 billion, the Governing Council of the Commission expressed solidarity with Iraq and adopted decision 272 (2014) on 18 December 2014, by which it postponed until 1 January 2016 the requirement that Iraq deposit into the Compensation Fund 5 per cent of the proceeds from all export sales of petroleum, petroleum products and natural gas and 5 per cent of the value of any non-monetary payments of petroleum, petroleum products and natural gas made to service providers. The decision was supported by the Government of Kuwait. As a result, no deposits to the Fund or payments towards the outstanding claim have been made since my previous report.

4. Furthermore, and in accordance with the above-mentioned decision, deposits in the amount of some $960 million made into the Compensation Fund between 1 October and 31 December 2014 were returned to the Government of Iraq on 9 March 2015.

5. The Government of Iraq is to resume deposits on 1 January 2016, unless it and the Governing Council decide otherwise, as provided for in Security Council

resolution 1956 (2010). Payments of the outstanding amount are also scheduled to resume in 2016 in accordance with the mechanism set out in Governing Council decision 267 (2009).

6. The seventy-ninth session of the Governing Council was held on 9 June 2015. The delegations of Iraq, including the Head of the Iraq Committee of Financial Experts, and Kuwait spoke at the opening plenary meeting. The former advised the Council of the intention of Iraq to seek additional relief in 2016 and the latter indicated its preliminary support for the position of Iraq. Members of the Council expressed their sympathy to and support for the Government and the people of Iraq, recognizing that the difficult economic and security situation in the country had continued since the postponement under decision 272 (2014) and might have a further impact on the timing for the conclusion of the Commission's mandate. At the same time, the Council emphasized that it was important for Iraq to fulfil its obligations and complete the payment of the outstanding compensation in a timely manner. The President of the Council invited Iraq to submit any request in writing, encouraging early bilateral discussions with Kuwait, which the Council would consider in advance of its eightieth session, scheduled for late October 2015.

7. In conclusion, I should like to echo the sentiments of the Governing Council and express my solidarity with the Government and the people of Iraq in the face of the current challenges.